

AN EXAMINATION OF THE BEST PRACTICES OF EXPERIENTIAL MARKETING
IN SELECTED POPULAR BEVERAGE COMPANIES

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ABSTRACT

AN EXAMINATION OF THE BEST PRACTICES OF EXPERIENTIAL MARKETING IN SELECTED POPULAR BEVERAGE COMPANIES

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In recent years, marketing efforts have shifted from traditional marketing strategies toward experiential marketing in order to ensure that consumers become emotionally attached to a brand. Experiential marketing strategies help companies create relationships with consumers and engage them through unique and memorable experiences. The purpose of this study was to examine the use of experiential marketing in three popular beverage companies. The research for this study was conducted using a best practices matrix created by the researcher, which examined experiential marketing strategies for selected popular beverage companies in the soft drink industry. The results of this study indicate that each of the three selected beverage companies utilize multiple experiential marketing strategies. The most significant experiential marketing strategies used were social media outlets, event marketing, and sponsorships. Through the use of experiential marketing, beverage companies are able to gain brand loyalty and product knowledge while generating growth for their brands.

Keywords: experiential marketing, relationship marketing, marketing, consumer engagement, strategic experiential modules, experience producers

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Chapter 1

INTRODUCTION AND REVIEW OF LITERATURE

Background of Study

With advancements in technology and changes in wants and needs, experiential marketing has developed a greater popularity with companies worldwide. As Schmitt (1999) explains, “Traditional marketing presents an engineering-driven, rational, analytical view of customers, products and competition. Traditional marketing characteristics focus on the functional features and benefits of the product itself and views the customer as a rational decision maker” (p. 11). In the past, traditional marketing has proven successful for many companies in various industries, but with the evolution of technology, constant use of social media and the bombardment of advertising, the thought process behind marketing is shifting in a new direction.

There is a new way of thinking about marketing in the 21st century. According to McCole (2004), customer satisfaction is no longer the number one concern of marketing, but rather businesses “should be more concerned with making the consumer emotionally attached to the product or service” (p. 535). This new concept of ensuring that the consumer is emotionally attached to a brand is the key goal of experiential marketing. Through various tactics and characteristics of experiential marketing, companies must find a way to create unique experiences that are memorable for the consumers in order to stand out from competitors. The purpose of this study was to examine the use of experiential marketing in the three-selected popular beverage companies, Red Bull, Coca Cola, and Monster Energy.

Review of Literature

Research for this review of literature was conducted at Robert E. Kennedy Library on the campus of California Polytechnic State University, San Luis Obispo. In addition to books and other resources, the following online databases were utilized: ABI/INFORM, Academic Search Premier, Hospitality and Tourism Complete, and Proquest. The review of literature explains what experiential marketing is, the elements of experiential marketing that companies use in their marketing efforts, and the best practices of experiential marketing.

Schmitt (1999) explains, “Traditional marketing has provided a valuable set of strategies, implementation tools, and methodologies for the industrial age” (p. 16). Companies around the world have found great success by using the various traditional marketing strategies to promote their brands. Society has evolved throughout time, and traditional strategies have found themselves outdated in an emerging experiential culture. As noted by Schmitt, traditional marketing upholds the following four key characteristics: a focus on functional features and benefits of a product, narrowly defined product categories, rational decision-making customers, and qualitative research (p. 11). Before customers are able to make a rational purchase decision, customers must go through an extensive decision making process. Qader (2013) points out, customers weigh the functions and benefits of a product and compare different brands against each other in order to make the most educated decision. Unfortunately, during the decision-making process, Qader asserts the emphasis is on the “rational and logical elements of the decision, without paying enough or any attention on the emotional and irrational aspects involved in the purchase” (p. 332). The decision making process that focuses on

functional features and benefits of a product may have proved successful in the past, but as our culture advances into a more experiential-based society, engagement, relationships, and loyalty must be established between the brand and the consumer.

According to Gilaninia, Almani, Pournaserani, and Mousavian (2011), “Researchers suggest that marketing efforts should change from a focus on immediate exchange to the initiation, establishment and maintenance of long-term relationships with customers” (p. 787). The days of companies bombarding customers with loud and obnoxious advertisements are a thing of the past. Companies now need to learn how to initiate relationships and foster engagement with their current and potential customers.

McCole (2004) explains that Schmitt is “primarily responsible for the rise of experiential marketing” (p. 535). Schmitt is the Professor of International Business at Columbia Business School in New York, has authored or co-authored eight books, and is “widely recognized for his major contributions to branding, marketing, and management” (MeetSchmitt.com, 2012). Along with Schmitt’s knowledge and influence, Wood (2009) believes that experiential marketing continued to develop because of three contributing factors:

Firstly, the over use of traditional media and therefore the need to do something different from competitors; secondly, the consumer’s desire for novelty, individualism and added value; and thirdly, the need to build an emotional attachment to brands that are largely functionally undifferentiated. (p. 252)

These factors show that the consumer needs something more from the brands they are considering purchasing from. The development of a relationship needs to take place and

in order for companies to engage the consumer, the brand needs to facilitate an experience (McCole, 2004).

In this new era of marketing, companies must learn to develop a stronger bond with their customers. Smilansky (2009) explains that, “The experiential approach is focused on a two-way interaction in real-time, a live brand experience and thereby a significantly deeper consumer bonding process” (p. 12). In order for brands to facilitate that two-way interaction, the consumer and the brand must be able to engage with each other. As Taranto (1998) asserts, “Events are increasingly being used to change perceptions and build relationships” (para. 5). Through these live brand experiences the consumer has the chance to foster an emotional attachment and create a relationship with the brand. As Smilansky explains, this allows “the consumer to live, breathe, and feel the brand through interactive, sensory connections and activities” (p. 12).

Experiential marketing has risen in popularity over the years, as it has become a competitive strategy for many companies. Brands want to find the best way to develop relationships, promote engagement, and enhance loyalty among current and potential customers. Murno (2011) explains that the use of experiential marketing creates those positive experiences for consumers and “fosters engagement” (para. 10). Strategies among experiential marketing are subjective; there is no right way, but in order to create true relationships and develop continued loyalty, a brand’s strategy should match what their company stands for. “Experiential marketing should act as an extension of the brand’s core values and day-to-day brand experience” in order to promote a truthful image (“What experiential marketing,” 2011, p. 3).

By using experiential marketing strategies, companies are hoping to develop those stronger relationships, increase loyalty, and generate a buzz from consumers; but in order to do those, companies must engage with their customers in experiences. According to The International Experiential Marketing Association (IEMA, 2007), “The vast majority of professionals think engagement is the strong suit of experiential marketing” (p. 3). There are powerful impacts that engagement has on building brands, as all the elements that companies strive to achieve with various marketing strategies are met with the use of experiential marketing. Some of the impacts are as follows: building loyalty, capturing attention, eliciting emotion, creating memories, stimulating word-of-mouth, changing opinions, building trust, and increasing product desire (IEMA, 2007, p. 3). By participating in the use of experiential marketing, companies can build stronger and better-known brands.

Schmitt (1999) came up with a framework for experiential marketing, which helps companies understand the different experiences consumers should encounter and the ways in which companies should provide those experiences. Grundey (2008) explains, “The framework that Schmitt proposes is based upon two elements: strategic experience modules (SEMs) and experience producers (ExPros). Experiential marketing considers all the elements in Schmitt’s framework” (p. 139). Companies use the different SEMs and ExPros in order to develop a variety of experiences for their customers.

In order to create different types of customer experiences, companies can use five different strategic experiential modules, or SEMs. As Schmitt (1999) explains, “SEM modules have distinct structures and functions...with its own objectives, internal structure, and principles” (p. 13). Therefore, depending on what experience a company

would like to initiate, they would have to choose to follow a particular SEM framework. The five SEMs that Schmitt (1999) describes are as follows: SENSE, FEEL, THINK, ACT, and RELATE (p. 13).

The first SEM module is SENSE, which “appeals to the senses, with the objective of creating sensory experiences through sight, sound, touch, taste, and smell” (Schmitt, 1999, p. 13). If companies wanted customers to easily differentiate their products from competitors and emphasize product function and benefits to create product value, they would use SENSE (Grundey, 2008). It is really important to express a product’s functionality and benefits because it keeps consumers interested. As Schmitt points out, “One of the key principles of SENSE is ‘cognitive consistency/sensory variety’; that is, the ideal SENSE approach provides an underlying concept that is consistent but always fresh and new” (p. 13). Absolut Vodka is a brand that executes SENSE marketing well because their bottle design is consistent and consumers associate the bottle and design with the brand (Schmitt).

FEEL is another SEM module that “is devoted to inducing affect, the creation of moods and emotions, that adhere to the company and brand” (Grundey, 2008, p. 139). An important element of FEEL marketing in which Schmitt (1999) explains, is “the understanding of stimuli that can trigger certain emotions” (p. 13). The understanding of stimuli is important because, companies try to trigger particular emotions about their brand in order to dictate their customer’s purchases. Hallmark is a great brand that excels well in FEEL marketing. All elements of the Hallmark brand, such as their greeting cards and Creation Stations, reach customers through FEEL marketing and trigger different sets of feelings and emotions (Schmitt).

THINK is the third SEM in which marketing engages customers on a deeper level. Schmitt (1999) explains that the objective to THINK marketing is to “create cognitive, problem-solving experiences that engage customers creatively” (p. 13). Many THINK campaigns can be seen with new technology products because brands want to engage the consumer through amazement of the product, and a curiosity of how it works.

The fourth SEM is ACT marketing. Schmitt (1999) describes ACT marketing to “enrich customer’s lives by targeting their physical experiences, showing them alternate ways of doing things, as well as alternate lifestyles and interactions” (p. 13). If companies market using ACT, they are ultimately telling customers their product or service is the ‘best way’ out there and their lives will improve if they choose to transform their routine. The goal for companies in using ACT marketing is to “change long-term behavior and habits in favor of a particular product or service” (Grundey, 2008, p. 139). It can be a struggle for companies to encourage a change in lifestyles or behaviors, so more often than not, strategies used in ACT marketing are “motivational, inspirational, and emotional in nature and frequently involve role models like movie stars or athletes” (Schmitt, p. 13). A well-known company that has become a classic example of ACT marketing is Nike and the brand’s use of the “Just do it” slogan and the constant use of popular role models (Schmitt).

The fifth and final SEM is RELATE marketing, which includes an element from each of the previous SEMs. As Grundey (2008) asserts, “RELATE marketing expands beyond the individual’s private sensations, feelings, cognitions and actions by relating the individual self to the broader social and cultural context reflected in a brand” (p. 140). RELATE marketing digs deeper and targets that motivation for self-improvement and

longing to be accepted by others and the society they live in (Schmitt, 1999). An example of RELATE marketing that Schmitt uses is Harley-Davidson motorcycle and how the company markets themselves as not only a product, but a way of life and that when a consumer purchases a Harley-Davidson product, it becomes part of who they are (Schmitt).

The above five SEM modules are individually different and possess different objectives and outcomes, but in order to create a true experiential marketing experience, a company must combine more than one SEM. Schmitt (1999) explains that the SEM modules “are connected and interact” and in order for companies to be successful they must “employ experiential hybrids that combine two or more SEMs in order to broaden experiential appeal” (p. 14).

After companies choose the best SEM for their brand message, they must decide what medium they want to use to convey their message to the consumer. Schmitt (1999) explains that “the SENSE, FEEL, THINK, ACT, and RELATE modules are implemented through experience providers, or ExPros” (p. 14). The ExPros are like vehicles that companies use to deliver the brand’s message to the consumer. The six ExPros are as follows: communications, product presence, co-branding, spatial environments, websites, and people (Grundey, 2008, p. 140).

The communications experience provider consists of the following elements: advertising, external and internal company communications, public relations campaigns, visual and verbal identity and signage, including names, logos, and colors (Grundey, 2008, p. 140). The product presence ExPro includes all elements of the product such as “the design, packaging and display” (Grundey, p. 140). Co-branding involves elements

where the brand has a relationship or association with other brands or organizations, such as: event marketing, sponsorships, alliances and partnerships, licensing, and product placement in movies (Grundey, p. 140). A spatial environment is another important vehicle to convey different types of experiences. This includes: the external and internal design of corporate offices, sales outlets, and consumer and trade fair spaces that represent a brand's image to its consumers (Grundey, p. 140). Websites are another important ExPro, allowing a convenient avenue where consumers can go to retrieve information about the brand or service or purchase products. The final ExPro includes: sales people, company representatives, customer service providers, and call center operators who all continuously represent a brand on a daily basis and interact with the consumers (Grundey, p. 140).

To create the most efficient marketing experience, Schmitt (1999) explains ExPros must be managed in three ways: (1) coherently, (2) consistently over time, and (3) with attention to detail and to the fullest potential (p. 14). It is important for all avenues of a brand's marketing efforts to be united and consistent on all levels so that the consumer is not confused by disconnected messages.

For companies to provide the ultimate marketing experience for their customers, they must take into consideration the importance of developing a relationship with their customers, fostering emotional connections, enhancing customer loyalty, and initiating customer engagement. In order to most efficiently use experiential marketing strategies, Schmitt (1999) developed a framework for companies to follow which included SEMs, or strategic experience modules, and ExPros, or experience producers. By following the

framework for experiential marketing, companies can develop a competitive advantage and ultimately build a stronger bond with their customers.

Purpose of the Study

The purpose of this study was to examine the use of experiential marketing in three-selected popular beverage companies.

Research Questions

This study attempted to answer the following research questions:

1. Are the selected companies using special events as part of their experiential marketing plan?
2. What social media practices are the selected companies using in order to engage their customers?
3. Are the selected companies co-branding with other organizations?
4. What types of sponsorships are the selected companies utilizing in order to promote their product?
5. What type of in-store displays are the companies using in order to market their product in stores?

Delimitations

This study was delimited to the following parameters:

1. Information on the three selected popular beverage companies was gathered from the beverage company websites and social media sites.

2. Social media, sponsorships, consumer engagement, co-branding, and special events were analyzed.
3. The data were collected during the fall of 2013.
4. Information for this study was gathered using a matrix to analyze the experiential marketing practices associated with the selected popular beverage companies, Red Bull, Coca Cola, and Monster Energy.

Chapter 2

METHODS

The purpose of this study was to examine the use of experiential marketing in three-selected popular beverage companies. This chapter includes the following sections: description of context, description of instrument, and description of procedures.

Description of Context

Best practices in experiential marketing were examined for selected popular beverage companies in the soft drink industry. According to the National Policy and Legal Analysis Network to Prevent Childhood Obesity (NPLAN, 2011), the definition of a soft drink is “any type of nonalcoholic beverage produced by a soft drink manufacturer; includes bottled water, but not tap water” (p. 6). The U.S. soft drink industry is comprised of two systems. The two systems within the industry are: (1) flavoring syrup and concentrate manufacturing and (2) soft drink manufacturing (NPLAN, p. 5).

There are many competing beverage companies in the United States. “As of 2010, there were 1,209 companies in the U.S. soft drink industry that blended ingredients such as water, liquid beverage bases/syrup, and sweeteners, and then packaged and distributed these beverages” (NPLAN, p. 7). In the United States, the soft drink industry is controlled by three key players who make up over two-thirds of the industry’s market share. The soft drink industry revenue, as a whole, is worth over \$45 billion and is expected to grow at an annual growth rate of 1.8% through 2015 (NPLAN).

The products produced by the soft drink industry can be separated into six main categories. The categories include: carbonated soft drinks (CSDs), fruit beverages, bottled waters, functional beverages, sports drinks and other (NPLAN, 2011, pp. 8-9). The two main categories that were focused on were carbonated soft drinks and functional beverages. Carbonated soft drinks make up “45% of industry revenue and include well-known brands and lesser-known household and private-label brands” (NPLAN, p. 8). Functional beverages are drinks such as energy and relaxation drinks and teas and coffees, which all together make up 11.3% of the industry revenue (NPLAN).

According to NPLAN (2011), “profitability is expected to increase from approximately 3.5% in 2010 to about 4.5% in 2015” (p. 10). In upcoming years, the industry is expected to grow as they develop more advanced products for the ever-changing industry trends and consumer needs (NPLAN). With the use of experiential marketing techniques, companies in the soft drink industry can gain brand loyalty and product knowledge and generate growth for their brands.

Description of Instrument

The instrument utilized in this study was a best practices matrix developed by the researcher (see Appendix A). The matrix developed by the researcher was derived from a modified version from Schmitt (1999). The matrix utilized in the research included two different tables. The first table was a list of the strategic experiential modules (SEMs) and a list of the experience producers (ExPros). Within the first table, the researcher was able to explain in detail the elements of both the SEMs and the ExPros that were found when analyzing the selected companies. The second table was utilized as a visual checklist to

compare and see which best practices the selected companies used in their experiential marketing strategies.

During the pilot study, the researcher analyzed Gatorade, Mountain Dew, and Amp Energy, which were beverage companies that were similar to the selected companies used for the study. While conducting the pilot study, the researcher found that the initial matrix needed to be reformatted to more efficiently record the information found about the selected companies. The researcher used the initial matrix and split it into two separate tables. By splitting the matrix into two tables, the researcher found that the adjustment allowed for more room to record detailed information about the SEMs and ExPros of the selected companies. The second table was used as a visual checklist to easily compare the three selected companies.

Description of Procedures

Best practices in experiential marketing was examined for selected popular beverage companies in the soft drink industry. The instrument utilized in this study was a best practices matrix developed by the researcher. During the two-week research phase, the researcher used the developed matrix to analyze the context of the study.

The experiential marketing practices of the selected popular beverage companies in the soft drink industry were analyzed through accessing the websites for each of the three selected beverage companies. The websites analyzed were as follows: Red Bull company website, the Red Bull Arena website, the Coca Cola company website, the Coca Cola Bottling Company Consolidated website, and the Monster Energy company website. In addition to the company's websites, the selected beverage company's social media

sites such as: Facebook, Twitter, Google +, YouTube, and Instagram were also visited. In order to analyze the best practices of experiential marketing, the researcher visited each company's website and filled out the matrix with as much detail as possible.

For each selected beverage company, the researcher first became familiar with the company's website and examined all the elements the website had to offer. After initial familiarization with the website, products, and brand, the researcher went back to the home page of the website and began from top to bottom in the first table of the matrix looking for information on those specific categories. The researcher carefully went through each category within the table and listed and explained in detail the elements of each SEM or ExPro that the company utilized. In the first table, the researcher used only qualitative analysis and descriptive wording to record all the information found on the brand.

After the first table in the matrix was completely filled out, the researcher analyzed the detailed information and then used that information to fill out the second table. The second table did not utilize any descriptive wording; the researcher just entered an "X" if the SEM or ExPro category was used in the brand's experiential marketing strategies. The second table was used to easily and quickly compare all three selected beverage companies and visualize which SEM or ExPro categories the companies used. The systematic process of visiting the company's website, familiarization, and filling out the matrix was thoroughly completed for each of the three selected companies.

Chapter 3

PRESENTATION OF THE RESULTS

The purpose of this study was to examine the use of experiential marketing in three selected popular beverage companies. A best practices approach was utilized to examine Red Bull, Coca Cola, and Monster Energy. This chapter includes the following sections: overview of selected companies, communications, products, co-branding and websites.

Overview of Selected Companies

Red Bull was one of the companies examined in the study. The Red Bull Company began 25 years ago by founder, Dietrich Mateschitz. In 1987, the first Red Bull Energy Drink was sold in its home market of Austria. The launch of Red Bull was the introduction of a completely new product at the time. Today, Red Bull is available in more than 165 countries and more than 35 billion cans of Red Bull have been consumed so far. Currently, Red Bull is sold around the world and targeting core markets of Western Europe and the USA. Red Bull is focusing on growing their market in Brazil, Japan, India and South Korea, while also focusing on the worldwide rollout of the Red Bull Red, Silver and Blue Editions, which provide the same benefit as the original Red Bull beverage, but in different flavors.

Coca Cola was another company examined in this study and is the most popular and biggest-selling soft drink in history, as well as the best-known brand in the world. Coca Cola has been an established brand for 125 years. Coca Cola was created in 1886

and first offered as a fountain beverage at Jacob's Pharmacy in Atlanta, Georgia. Coca Cola was patented in 1887, registered as a trademark in 1893 and by 1895 it was being sold in every state and territory in the United States. Today, Coca Cola is one of the leading beverage companies in the United States.

Monster Energy was the third company examined in this study. Monster Energy is an energy drink launched in 2002 by the Monster Energy Brand, which is the leading marketer and distributor of energy drinks and alternative beverages. The Monster Energy brand distributes and markets over 34 different brands of beverages, and as of May 2012, Monster held nearly 35% of the 31.9 billion dollar energy drink market. Monster Energy is known for supporting and targeting extreme sports, bands, athletes and their fans, which encompasses their slogan, "a lifestyle in a can."

Communications

The aforementioned beverage companies were examined utilizing a matrix to assess elements of communication. The researcher found that each of the three selected beverage companies use similar communication tactics. All three of the companies utilize social media as a communication source with their customers. The common social media sites used throughout the selected beverage companies are Facebook, Twitter, Google +, YouTube, and Instagram, all of which provide links on the beverage company's websites. Red Bull, Coca Cola, and Monster Energy each use various types of advertising strategies. Strategies used by all three companies include: use of social media, ads through print, television and digital media, and advertising through large events such as sports. Coca Cola is a standout company that utilizes unique advertising strategies such

as: bus and bus shelter wraps, transit stop posters, subway animated ads and digital banner ads on mobile phones and desktop sites.

Each beverage company utilizes public relation campaigns in order to increase their brand and product awareness. The PR campaigns are connected with the company's identity and usually include the brand's slogan. Red Bull's PR campaign stood out among the other companies. The Red Bull Stratos campaign produced a significant worldwide impact with the most exposure ever seen on the Internet. The Red Bull Stratos was a space jump by Felix Baumgartner, which broke several records including: first human to break speed of sound in free-fall with a top speed of 843.6 mph, highest free-fall from a distance of 127, 852 feet, and longest-distance free-fall. Each of the selected beverage companies utilizes various communication strategies that fit with their company goals and target market.

Products

The product category was another experience producer (ExPro) examined by the researcher. The elements of the product category assessed were: design, packaging, and display. Each of these elements was similar with all three of the selected beverage companies. Red Bull, Coca Cola and Monster Energy have beverage lines, which included multiple types of beverages or flavors. Each brand's logo is consistently present throughout the variety of products in the beverage line. The differences found between the various beverage types or flavors, in all three of the selected beverage companies, was the use of different colors or graphics from the original beverage product. Red Bull, Coca Cola and Monster Energy, all offer multiple sizes for their beverage products. In order to

display the beverage product, the researcher found that all three companies have a type of cooler or refrigerator, which includes the company's logo on the outside; the coolers can be found in convenience stores to entice consumers to purchase the product. Red Bull has some stand out product displays. For example, Red Bull has vehicles, wrapped with the Red Bull logo, that are brought to events. Red Bull also has cooler backpacks that are worn by Red Bull promoters at events. All three of the companies utilize similar product strategies.

Co-Branding

Within the co-branding experience producer (ExPro), the researcher examined event marketing, sponsorships, partnerships, and product placement. Each of the selected beverage companies markets their product at events that reflect their company culture and values. Red Bull participates in a lot of event marketing with adventure sports such as: cliff diving, rally racing, relay competitions, and motorcycle racing. One event in particular that stood out beyond the others was the Red Bull Flugtag. The Red Bull Flugtag is an event organized by Red Bull in which competitors attempt to fly home-made, size-and weight-limited, human-powered flying machines. The event is a promotional event for the Red Bull product and completely encompasses the company's slogan, "Red Bull Gives You Wings." Coca Cola sponsors a lot of exhibits for consumers to come visit. Some of the exhibits include: Norman Rockwell and Coca Cola, History of Leadership for Active and Healthy Living, and Vault of the Secret Formula Experience. Monster Energy uses the X Games to market their product and Monster brings the Monster Bus to Vans Warped Tour to hand out free energy drinks to the attendees.

Many of the sponsorships and partnerships of Red Bull, Coca Cola and Monster Energy are sport-related, including college and professional sports teams, racing teams, other extreme sports teams and professional athletes. There are two sponsorships that stood out. First is Monster Energy, who is the official sponsor of the X Games. Second, is Red Bull's Music Academy, which is a world traveling series of music workshops and festivals, and a platform for those who make a difference in today's music landscape.

Within all three selected beverage companies, product placement is prominent in movies and television. Some of the movies Red Bull is found in are *Mean Girls*, *Oceans 12*, *Baby Mama* and *Hot Tub Time Machine*. The movies Coca Cola is found in are, *Collateral*, *Man on Fire*, and *The Forgotten*. And Monster Energy is found in the movie *The Hangover*.

Websites

The Red Bull, Coca Cola, and Monster Energy websites are extremely interactive and creative. On all three websites, information can be easily found with just a few clicks. There are links to the company's social media sites such as: Facebook, Twitter, Google +, YouTube, and Instagram, through their homepage. The Red Bull and Monster Energy websites highlight news and stories of the teams and sport professionals they sponsor, they provide links to videos, stories and photo galleries as well. Red Bull, Coca Cola and Monster Energy include information about their company history, products, and events they will be holding or have held in the past. Each website includes a lot of information and encompasses who the company really is.

Through the information gathered by the researcher, it was clear that some of the experience producer (ExPro) categories were similar with all three of the selected beverage companies. There were a few unique differences that stood out and reflected the particular company. Once the ExPro information was examined the researcher was able to analyze which category Red Bull, Coca Cola and Monster Energy utilized best.

Chapter 4

DISCUSSION AND CONCLUSIONS

The best practices of experiential marketing were examined within popular companies in the beverage industry. This concluding chapter will include the following: a summary of the study, a discussion of the findings, limitations, conclusions based on research questions, implications of the findings, and recommendations for future research.

Summary

In recent years, marketing efforts have shifted from traditional marketing strategies toward experiential marketing in order to ensure that consumers become emotionally attached to a brand. Experiential marketing strategies help companies create relationships with consumers and engage them through unique and memorable experiences. Through the framework of experiential marketing, companies are able to understand the different experiences consumers should encounter and the ways in which companies should provide those experiences. The purpose of this study was to examine the use of experiential marketing in three popular beverage companies. The study specifically analyzed sponsorships, consumer engagement, co-branding, and special event topics.

The research for this study was conducted using a best practices matrix created by the researcher, which examined experiential marketing strategies for selected popular

beverage companies in the soft drink industry. Each company was analyzed through accessing the website of the selected beverage company and using the information to complete each category within the developed matrix. The researcher utilized only qualitative analysis and descriptive wording to record the information found on each of the brands.

The results of this study indicate that each of the three selected beverage companies utilize multiple experiential marketing strategies. Most of the strategies utilized by the three selected beverage companies were similar, although each strategy used was unique to the specific company. The most significant experiential marketing strategies used were social media outlets, event marketing, and sponsorships.

Discussion

Extensive research and examination of the three selected beverage companies, provided evidence of three major findings. These findings will be discussed in this section and are: the use of social media, event marketing, and sponsorships.

Three of the selected beverage companies utilized various social media outlets in order to connect and engage with their consumers and fans. The most popular social media sites used by all three beverage companies were Facebook, Twitter, Google +, YouTube and Instagram. Based on previous research, experiential marketing includes two-way interaction, where the consumer and the brand must be able to engage with each other (Smilansky, 2009). By the use of social media, each company is able to reach out to their customers and interact, promote their brand, and involve them in all aspects of the brand.

In the past, traditional marketing focused on advertising a product by emphasizing the product's functional features and benefits, but did not allow the customer to engage with the brand during the marketing process. Society is evolving and becoming more technologically advanced and reliant, because of this, it is important for companies to continue utilizing social media outlets to communicate with their customers. The use of various social media outlets allows companies to reach a greater number of people, and customers are able to participate in elements of the company, which helps them relate to the brand. Coca Cola stood out among the other beverage companies in the way they presented their social media links on their website. Coca Cola provides links to the social media sites they utilize, but is the only beverage company within the study, that allows customers to view recent activity of the social media sites without navigating away from the Coca Cola homepage. Social media provides companies and customers a way to interact with each other, but the ease of use with social media outlets has an impact on whether or not customers will utilize that avenue of interaction. Companies within the beverage industry should continue using social media outlets as a way to communicate and engage their customers on a regular basis. In order to ensure ease of use with social media outlets, companies in the beverage industry should use Coca Cola as a model, and provide links on their homepage, which will automatically navigate the consumer to the social media site in one click.

All three beverage companies also utilized event marketing. Each of the three companies participated in events, which reflected their company's culture and values. The majority of the companies promoted their product through sporting events, such as adventure sports and racing, and music festivals. Gilaninia et al. (2011) explained that

experiential marketing efforts should be focused on creating and fostering long-term relationships with customers. In order to develop those relationships between customer and company, they must be involved with each other. Taranto (1998) explains that, more and more, events are being used in order for companies to build relationships with their customers and create positive perceptions of their brand. With the rising use of events, consumers are able to generate an emotional attachment with a brand, create a relationship, and bond with the company.

Since the primary focus of experiential marketing is engagement and the development of relationships between the customer and the company, the use of event marketing has become one of the best ways to bring together both sides. All three companies use event marketing in various ways to promote their product, and the use of those events enable customers to foster an emotional attachment to the brand, thus creating brand value in the mind of the customer. Red Bull stood out among the other beverage companies because of their unique Red Bull Flugtag event, where consumers compete against each other in the attempt to fly homemade flying machines. The Flugtag event fully engages the consumer with the brand by creating an environment where the consumer is the main focus of the event instead of merely a bystander. The more a company engages a consumer, the more likely the consumer is to develop brand value and purchase the product. In order to continue developing brand value with customers, beverage companies should continue to utilize special events as part of their experiential marketing strategies, and attempt to integrate a higher level of consumer engagement into those events.

Co-branding strategies are also important elements in experiential marketing, and the use of sponsorships was utilized with all three beverage companies in the study. Each company used various sponsorship strategies in order to promote their product to a larger market. Each of the companies was involved with sponsorships that were sport related, including sport teams and professional athletes. By utilizing co-branding strategies, brands are able to develop relationships or associations with other brands or organizations (Grundley, 2008). These relationships create avenues for the companies to advance their product promotion and enlarge their target market.

By utilizing sponsorships, companies are promoting their product in places where they might have not done so before the sponsorship, which ultimately grows their brand awareness. Companies also begin to create relationships with the customers or fans of the organization they are sponsoring. As the beverage companies sponsor other organizations, their brand and product unite with the sponsored organization and the beverage company's customer base is more likely to grow. Monster Energy stood out among the other beverage companies because of their official sponsorship with the X Games. In their ability to sponsor such a well-known event, Monster Energy had the advantage of being a part of many elements of the X Games and was able to engage the fans of the professional athletes who participated. By reaching such a large crowd through the X Games sponsorship, Monster Energy was able to increase their brand awareness and grow their customer base. In order to advance product promotion and continually grow through brand association, beverage companies should continue utilizing sponsorship strategies and seek out large, well-known events or organizations in order to grow their customer base and brand awareness.

There are several limitations present in this study that impacted the results. First, as a consumer of one of the beverage companies within the study, the researcher may have unintentionally impacted the findings through subjective bias of a particular company. Secondly, because of the small number of companies researched in comparison to the amount of companies in the industry, the findings from this study should not be generalized to all companies in the beverage industry. Finally, since research on this subject was restricted to online means, the quantity and quality of information may have been impacted. Despite these limitations, the findings here give some insight to the best practices of experiential marketing in popular beverage companies.

The results from this study provide evidence of the most effective experiential marketing strategies utilized among popular beverage companies. Even though, society is constantly changing and the most effective strategies of experiential marketing are unique to current technology and specific brands, the topics covered provide a baseline for future research and may be helpful in contributing to future evaluation. It is important that future studies of this topic include a more diverse sample of beverage companies in order to create a more complete and detailed examination of experiential marketing. The contributions that this study has made to experiential marketing within beverage companies are valuable, and may be utilized in future studies, but because the world of marketing is ever-changing, effective experiential marketing strategies should be continuously explored in order to make further improvements to beverage companies.

Conclusions

Based on the findings of this study, the following conclusions are drawn:

1. The three selected beverage companies, Red Bull, Coca Cola, and Monster Energy are all using special events as part of their experiential marketing plan.
2. Social media sites, such as, Facebook, Twitter, Google +, YouTube, and Instagram are being used by all three selected beverage companies in order to engage their customers.
3. Red Bull, Coca Cola, and Monster Energy are all co-branding with other organizations and events.
4. All three of the selected companies are using various sponsorship strategies in order to promote their product to a larger market.
5. The three selected beverage companies are utilizing specialized in-store displays in order to market their product.

Recommendations

Based on the conclusions of this study, the following recommendations are made:

1. Beverage companies should continue utilizing special events as part of their experiential marketing plan, and attempt to integrate a higher level of consumer engagement into those events.
2. Companies in the beverage industry should provide links on their homepage to their social media sites, which will automatically navigate the consumer to the social media site in one click.

3. Beverage companies should continue utilizing sponsorship strategies and seek out large, well-known events or organizations in order to grow their customer base and brand awareness.
4. In future studies, a more diverse sample would result in a more complete and detailed study.
5. Future research should continuously explore the most effective experiential marketing strategies in order to make further improvements to companies.

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APPENDIXES

Appendix A

Instrument

COMPANY NAME		
SEMs	SENSE	
	FEEL	
	THINK	
	RELATE	
	ACT	
EXPROs	COMMUNICATIONS	
	<i>Advertising</i>	
	<i>External/Internal Communications</i>	
	<i>PR Campaigns</i>	
	<i>Visual/Verbal Identity/Signage</i>	
	PRODUCTS	
	<i>Design</i>	
	<i>Packaging</i>	
	<i>Display</i>	
	CO-BRANDING	
	<i>Event Marketing</i>	
	<i>Sponsorships</i>	
	<i>Partnerships</i>	
	<i>Product Placement</i>	
	WEBSITES	

	COMMUNICATIONS	PRODUCTS	CO-BRANDING	WEBSITES
SENSE				
FEEL				
THINK				
RELATE				
ACT				